



Department of Pacific Affairs

Limiting Possible Exploitation in Transportation Services for Seasonal Worker Programs

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This In Brief highlights the problem of overcharging for transportation of seasonal workers to and from their worksites in Australia's Seasonal Worker Program (SWP) and New Zealand's Recognised Seasonal Employer scheme (RSE). Unlike accommodation providers and their services to seasonal workers discussed in a previous [In Brief](#), transportation services and costs are rarely addressed. Yet, like other 'wrap around' services¹ (Underhill-Sem and Masters 2017:63) such as accommodation, the costs for transport and the services provided vary. Workers trust providers to charge fair rates for their services, however research has shown that excessive costs for transport have been imposed on workers, and transport providers have been criticised for disproportionate charges (Bedford 2013; Bedford et al 2017; Rockwell 2015).

As part of the application to become an approved employer under the SWP or RSE scheme, employers/labour contractors must submit a list of proposed deductions for wrap around services. These deductions are assessed by the government agencies overseeing the seasonal work schemes, yet how the costs associated with these services are deemed to be fair for workers needs further attention. Employer deductions is an area where there is a risk of exploitation, and one that requires ongoing monitoring and oversight.

In the author's initial New Zealand (Central Otago) and Australian (Victoria) case studies (2007 to present), employers did not, and still do not, charge a fee for transporting workers to and from work. It was only when workers wished to borrow vehicles for personal use that a charge was applied. Unlike those case studies, it is common practice for employers to make regular deductions from workers' wages for transport. The key question is: 'what is an acceptable charge for transport?' There are employers/labour contractors who, rather than owning their own vehicles, hire vans from third party providers for the duration of their workers' stay. This is an extra cost to be recouped from the workers. More consideration should be given to the idea of employers purchasing vans and charging until the repayments are made, or only charging to

cover the basic running costs (as some employers are indeed currently doing). The transport needs of workers' out-of-work hours also varies. Lack of access to transport can hinder workers' participation in local community and church activities, which may contribute to a sense of isolation.

In one case in Australia, a large group of workers complained that they were paying AUD60 each per week for transportation and this was excessive. It was a 20-minute drive to the pack house. Over 20 workers in this group travelled in two vans. Assuming they were standard eleven-seater mini-buses (as often used for seasonal workers in both countries) and that those vans are full, that was AUD1320 per week to the labour hire company,² who owned the vehicles. These workers were contracted for 20 weeks paying at least AUD26,400 in transportation fees during this time. This was the worst case of excessive charging I had come across until recently, where a group of workers from Queensland showed they were paying AUD75.60 each per week, also to travel 15 to 20 minutes to the worksite.³ One would think that employers/contractors purchasing vans would be more appropriate than renting from third party providers. Clearly the charges mentioned above demonstrate that a van worth AUD10,000–15,000 would not be out of the question, even with on-road costs. In a recent large-scale study examining labour challenges in the Australian horticulture industry, Howe et al (2019:10) also found 'inflated deductions for transportation, accommodation and equipment' imposed on workers.

Upon further investigation by the author, a number of RSE and SWP workers from Samoa, Timor-Leste, Tonga and Vanuatu have stated that transportation costs vary from AUD30–80 per week. Understandably there are on-road costs, however these charges need to be monitored more closely. Often, government officials argue that is 'what workers sign up for'. Workers agree to these costs when signing contracts in their home countries and are aware that employers/labour hire companies cannot make these deductions without their permission. However, the reality is workers do not necessarily

know what the exact payment is for and will sign their contracts (Bailey 2009) in order to gain the opportunity to participate in seasonal work. It is important that they do not find themselves in a situation of exploitation. Just as the fairness and cost of 'suitable' accommodation is in question, the fairness of transportation costs imposed on workers also requires examination.

Employers and labour hire companies that recruit for the RSE and SWP appreciate workers for their reliability, productivity and generosity. Because these schemes are government-audited, seasonal workers sign contracts expecting that their welfare is a priority and that they will not be exploited. Documenting and reporting unscrupulous employers/labour hire companies – who use these schemes to generate revenue through excessive charging – is required, as is a closer examination of how much workers are charged and exactly what services they are paying for.

Author notes

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Endnotes

1. 'Wrap around' services are those provided to seasonal workers, notably in accommodation and transportation.
2. Personal communication, group meeting with SWP workers, Port Vila, April 2015 with documentation cited by author. It is important to stipulate here that it was not the employer enforcing this fee. Also this labour hire company is no longer in existence, assumedly due to many issues with the letter of offer not matching fees deducted from workers.
3. The contractor in this case has not been identified to protect the identities of the workers.

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